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FM AMEMBASSY SANTIAGO
TO RUEHC/SECSTATE WASHDC 4895
INFO RUEHAC/AMEMBASSY ASUNCION 3958
RUEHBO/AMEMBASSY BOGOTA 2412
RUEHBU/AMEMBASSY BUENOS AIRES 1477
RUEHBR/AMEMBASSY BRASILIA 0891
RUEHCV/AMEMBASSY CARACAS 2082
RUEHPE/AMEMBASSY LIMA 6166
RUEHMN/AMEMBASSY MONTEVIDEO 4388
RUEHQT/AMEMBASSY QUITO 2351
RUEAIIA/CIA WASHDC
RHEFDIA/DIA WASHDC
RUEATRS/DEPT OF TREASURY WASHDC
RUCPDOG/DEPT OF COMMERCE WASHDC

UNCLAS SANTIAGO 000422

SIPDIS

STATE FOR R/MR, I/PP, WHA/BSC, WHA/PDA, INR/IAA

E.O. 12958: N/A

TAGS: [KMDR](#) [KPAO](#) [PGOV](#) [ECON](#) [PREL](#) [SNAR](#) [EFIN](#) [CI](#)
SUBJECT: CHILE MEDIA REPORT - MAY 4

Leading Stories

¶1. Colombia has confirmed a case of AH1N1 influenza, the first in South America. Chile has no cases of the disease and high risk groups have been vaccinated for seasonal influenza.

U.S.-Related News

¶2. The USTR placed Chile on its Priority Watch List for lack of IPR protection, stating it is not complying with FTA provisions and "performing below the standard of a U.S. commercial partner." National Intellectual Property Institute (Inapi) Director Cristobal Acevedo noted USTR's "inconsistency," because it also praised the creation of the Inapi and of a special brigade to persecute IPR crimes. The USTR report states Chile has yet to resolve piracy, provide adequate copyright and patent protection, specifically for pharmaceutical products, and it urged Chile to strengthen its laws. The Foreign Ministry's International Economic Relations Bureau (DIRECON) noted the USTR report is "unilateral" because it reflects the "expectations of U.S. companies with regard to other countries." DIRECON stated the USTR report "is not a mechanism" included in the administration of the FTA signed by both countries" (El Mercurio, conservative, influential newspaper-of-record, circ. 129,000, 5/2).

¶3. The Senate will start discussing today copyright protection in the IPR Law. Artists are demanding better regulations regarding the use of music by the private sector (La Tercera, conservative, independent, circ. 101,000, 5/4).

¶4. Jose Rafael Campino, President of Chile's National Wood Corporation (Corma), said the subsidy that U.S. cellulose producers receive for using an alleged biofuel will severely hurt Chile's forestry sector, since cellulose sales accounts for 50% of total wood products. Campino said CORMA will probably resort to the creation of commission within the FTA to resolve the conflict. He said that Canada and Brazil have already filed complaints regarding the subsidy (El Mercurio, 5/4).

¶5. USAF Lieutenant General Norman Seip was awarded a medal in Chile in recognition of his efforts "to strengthen ties of friendship and professional cooperation between the Chilean Air Force and the USAF" (La Segunda, conservative, afternoon, circ. 33,000, 4/30).

AH1N1 Influenza

¶6. Health Minister Alvaro Erazo underscored that Chile is following WHO criteria for the AH1N1 influenza and is not, therefore,

considering closing its borders. Chile has no confirmed cases of the influenza and only two people are under examination today (El Mercurio, 5/4; La Tercera, 5/4).

Purchase of F16s

17. Peruvian President Alan Garcia made a veiled criticism of Chile's negotiation to buy F16s from Holland: "It's important to reflect and ensure that there is a balance and focus on strengthening our economies.... It's a matter of priorities" (El Mercurio, 5/2).

18. Peruvian Foreign Minister Jose Antonio Garcia-Belaunde comments on Chile's decision to buy F16s from Holland: "No country is happy when its neighbor buys weapons and a fleet of F16s is something important... Evidently it creates an imbalance... and an arms race. This does not suit our needs" (El Mercurio, 5/3).

19. Chilean Defense Minister Francisco Vidal called his Peruvian counterpart Antero Flores-Araoz to inform him of the ongoing negotiation with Holland. "As Peru is just trying to increase the capabilities of what it already has, Chile's continues to buy weapons which create an asymmetry that is increasingly larger," said Flores-Araoz (El Mercurio, 5/2).

110. Chile-Peru relations have become strained after Lima filed a maritime claim with The Hague. Yesterday President Alan Garcia was ironic with regard to the purchase of F16s. "I would say that it's good business.... We would have to see what state they are in and how much it would cost to refurnish them," said Garcia (La Tercera 5/2).

111. Peruvian Congressman Juvenal Ordonez said Chile's acquisition of F16s is a "veiled threat in an eventual ruling by The Hague favorable to Peru's maritime border claim." Ordonez wants his government to request President Obama to ban the acquisition (La Segunda, conservative, afternoon, circ. 33,000, 4/30).

112. In a letter to the editor, defense expert Daniel Prieto noted that the deal between Chile and Holland had been reported in specialized international publications before and that three pre-agreements have been signed regarding logistics and prices (El Mercurio, 5/3).

113. From Bolivia, former U.S. President Jimmy Carter urged Chile, Peru and Bolivia to find a way to give La Paz "direct access to the sea" (El Mercurio 5/2; La Tercera, 5/2).

Poll on Presidential Candidates

114. A Mercurio-Opina survey shows that one third of voters are still undecided about who to vote for in the December presidential election. In a runoff election, Sebastian Pinera would get 40.8% and Eduardo Frei 32.6%; 51.9% agreed with Pinera's decision to transfer his assets to a blind trust; PS congressman Marco Enriquez-Ominami obtained an unexpected third place in the voting preference with 8.7% (El Mercurio, 5/2).

SIMONS